
Sustainability Standards Advisory Forum meeting

Date	April 2023
Project	ISSB Consultation on Agenda Priorities
Topic	Overview of the Request for Information
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Background for Session 4 on 3 May 2023 at EFRAG FRB and SRB joint meeting.

As the ISSB paper for the meeting will be a late upload, we provide this paper as background to EFRAG reporting board members.

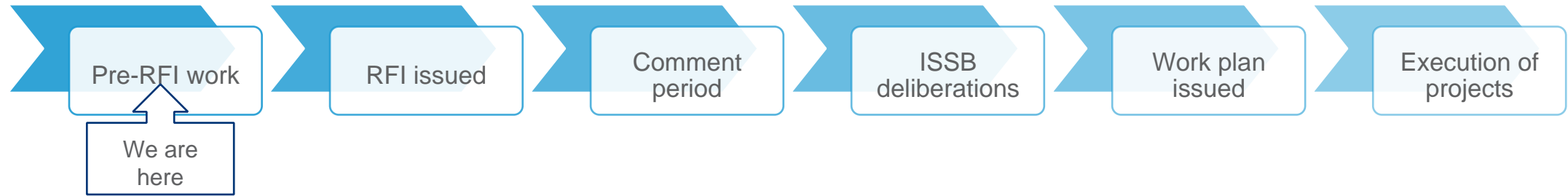
Purpose of this session

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To provide the Sustainability Standards Advisory Forum (SSAF) with an overview of the International Sustainability Standards Board's (ISSB) Consultation on Agenda Priorities and the associated Request for Information (RFI) which will seek public feedback to inform the ISSB's next work plan

Do you have any comments or questions on the ISSB's Consultation on Agenda Priorities and the contents of the RFI?

Overview of planned approach



- As part of its initial consultation on agenda priorities, the ISSB will issue an RFI to inform its work plan for the **two years** following consultation.
- In developing the Request For Information, the ISSB seeks to include appropriate background information and questions to help stakeholders comment on the RFI and ensure the ISSB obtains sufficient feedback to make sound decisions.

Overview of the RFI

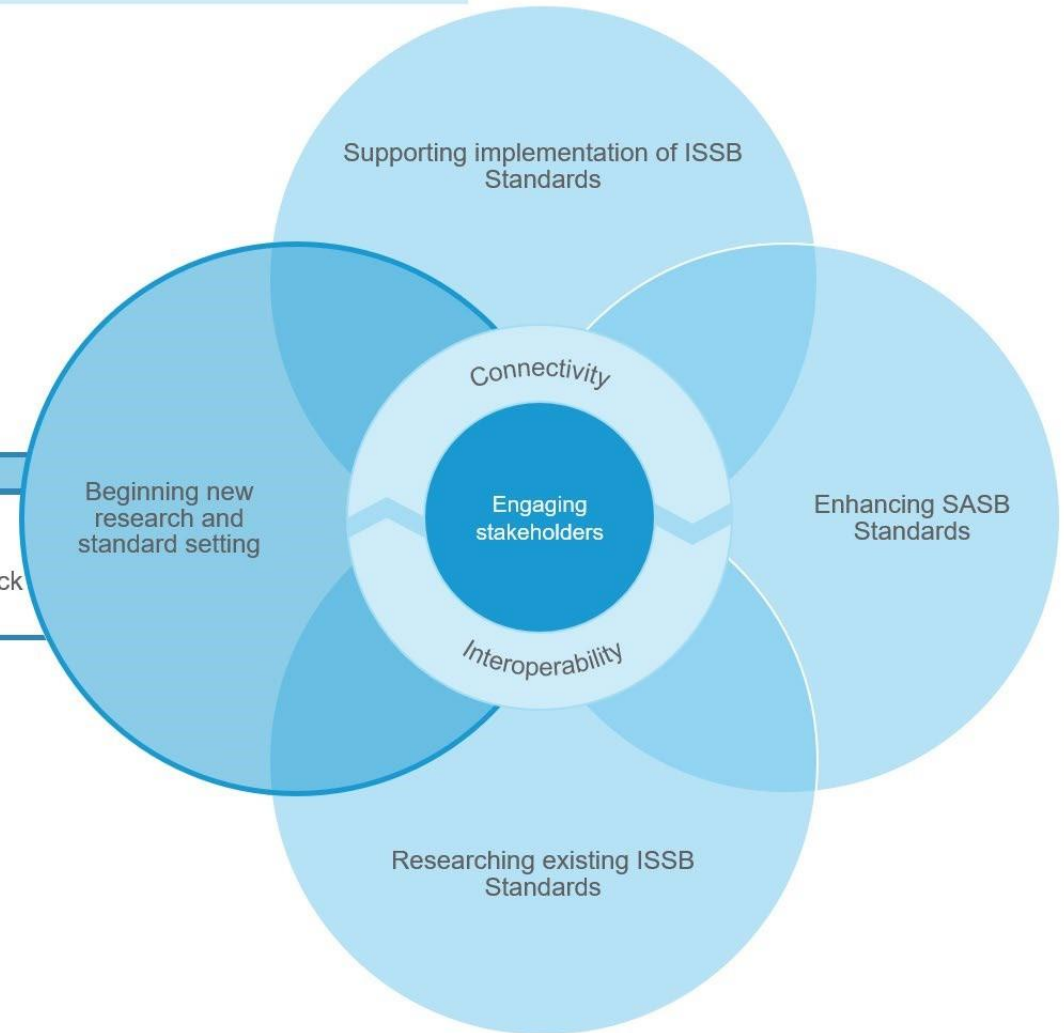


Content of RFI

Comment on: Strategic direction & balance of ISSB's activities

Comment on:

- Criteria for assessing new projects
- Priority of and feedback on new projects



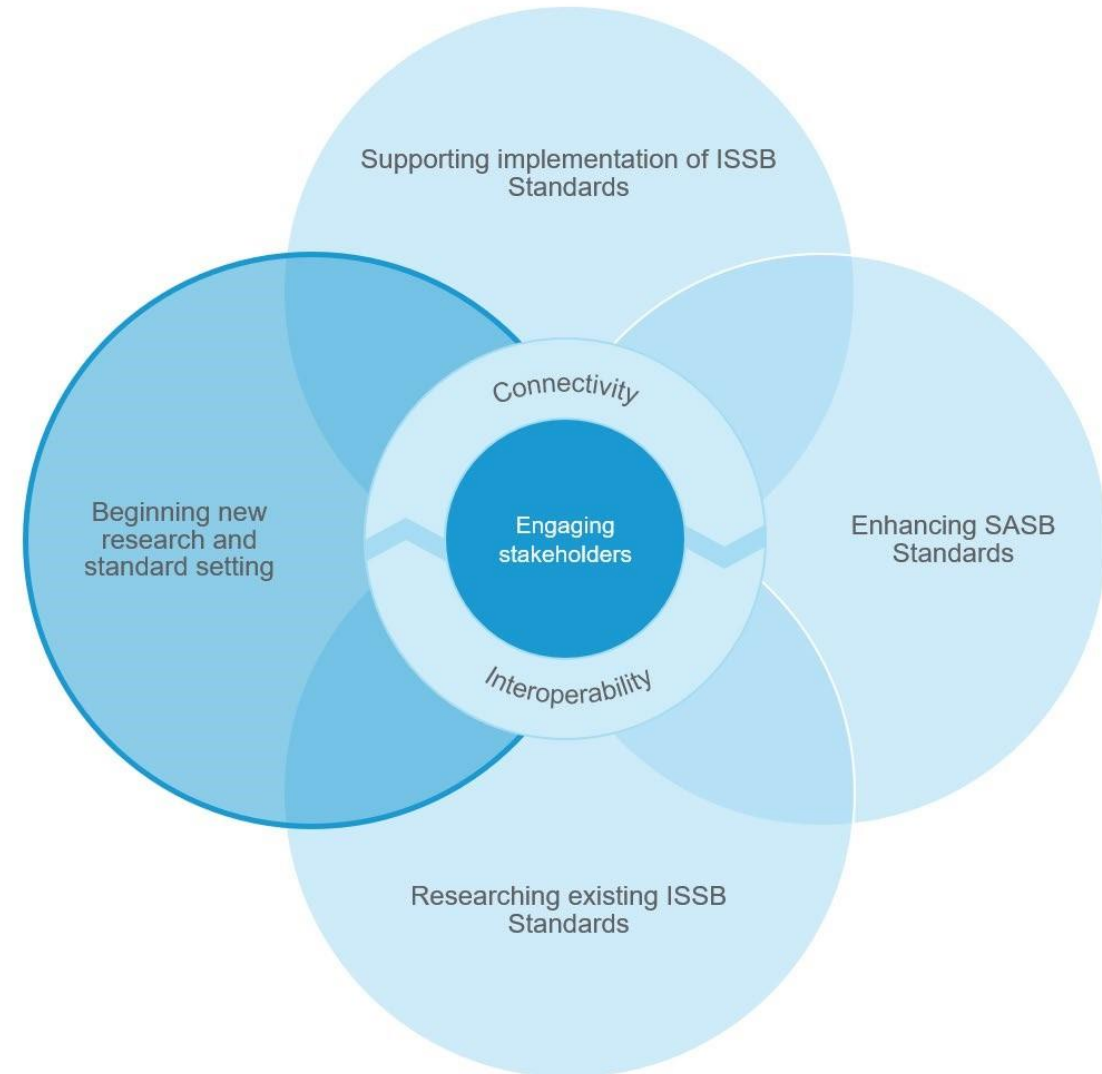
The ISSB will seek feedback on:

-
- **strategic direction and balance of the ISSB's activities** including description of the *foundational work* (that is, committed work and activities to build upon the foundation created by S1 and S2, once finalised);
 - **criteria for assessing the priority of new projects**; and
 - **priority, scope and structure of *new research and standard-setting projects*** that could be added to the ISSB's work plan.

Chart not to scale

Strategic direction and balance of work plan

- ISSB will seek general feedback on the strategic direction of



balance of the ISSB's work plan, within the ISSB's remit to develop a comprehensive global baseline of sustainability-related disclosure standards.

- The ISSB will consider feedback to provide directional information on how to prioritise its priority activities.
- The activities reflected in the diagram require a trade-off with each other in determining the balance of the ISSB's primary activities.
- Given the initial work plan will cover only the first two years following consultation, along with the early-stage nature of the ISSB, its priority activities will look different from those of the more established IASB.

Criteria for assessing new projects to be added

The ISSB will also seek feedback on the set of criteria that it uses to assess proposals for inclusion in its work plan. These criteria are based on those used by the IASB in its Third Agenda Consultation, which are: a. the importance of the matter to investors;

- b. whether there are any deficiencies in the way companies disclose information on the matter;
- c. the type of companies that the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others;
- d. how pervasive or acute the matter is likely to be for companies;
- e. the potential project's interaction with other projects on the ISSB's work plan (or on the IASB's work plan);
- f. the complexity and feasibility of the potential project and its solutions; and
- g. the capacity of the ISSB and its stakeholders to make timely progress on the potential project.

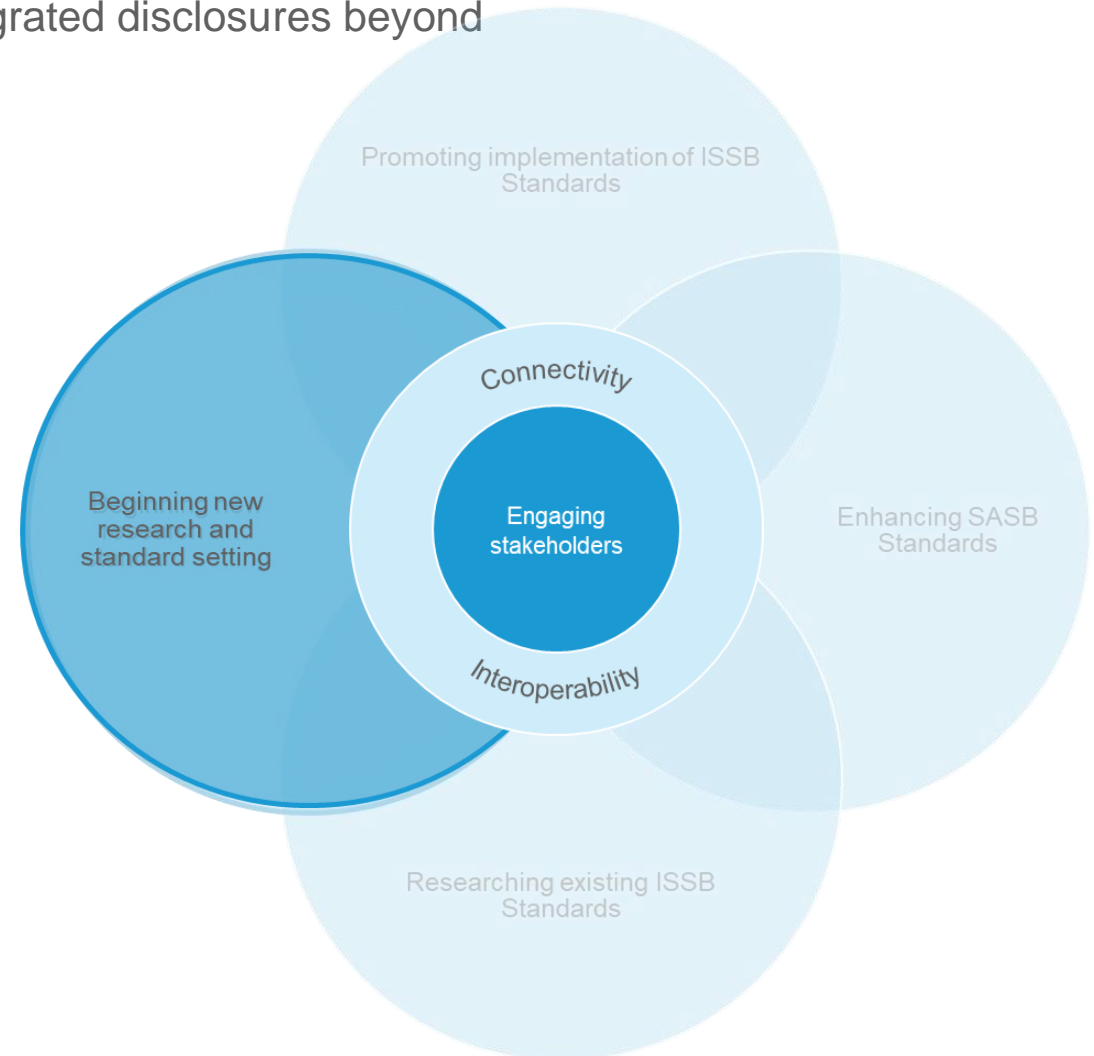
While not a separate criteria, the ISSB also considers the work streams of other jurisdictional and voluntary sustainability standard setters and framework providers.

New research and standard setting projects

The RFI will include description of and seek feedback on:

- research projects on the sustainability-related risks and opportunities associated with:
 - biodiversity, ecosystems and ecosystem services;
 - human capital; ○ human rights; and

- a research project on integration in reporting to support integrated disclosures beyond



the requirements on connected information in the financial statements and sustainability-related financial disclosures, that are included in S1 and S2.

New research and standard setting projects

The RFI will seek feedback on:

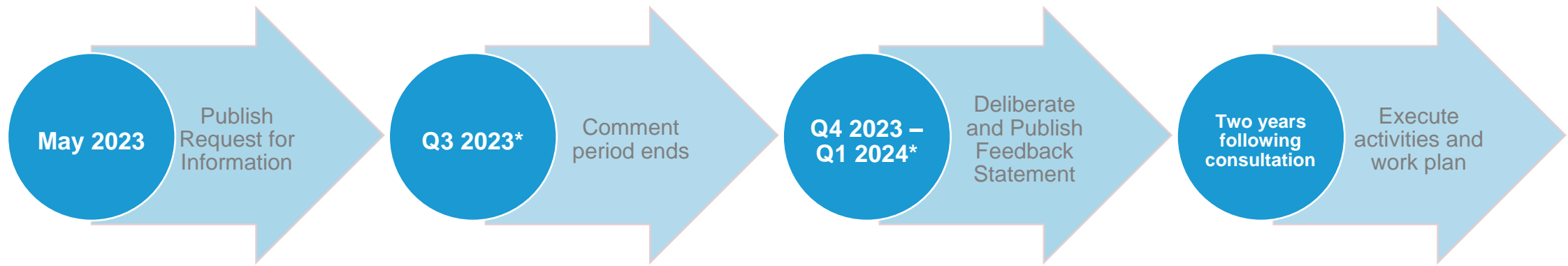
- relative priority of the potential projects to inform ISSB's resource allocation;
- for the sustainability-related subject matters (biodiversity, ecosystems and ecosystem services; human capital; and human rights):
 - relative priority of subtopics, industries or sectors;
 - priority of related materials and standards of other jurisdictional and voluntary standard-setters and framework providers;
- for the project on integration in reporting:
 - relative priority and timeliness of advancing this project in the context of ISSB's mission to build out suite of 'sustainability' standards;
 - whether project should be pursued as a formal joint project with the IASB;
 - whether project should utilise IASB's Exposure Draft *Management Commentary*, the Integrated Reporting Framework, both or other materials in pursuing this work.

New research and standard setting projects

In developing their response to the RFI, it is important that stakeholders consider that:

- survey responses are preferred;
- all four new projects are considered to be larger, resource intensive projects;
- all four new projects are ‘research projects’;
- one of the goals of the new projects will be to better understand the overlap between topics and subtopics (eg, human rights and human capital);
- ISSB will leverage and build upon materials of the ISSB and other standard setters and framework providers to expedite the work, as appropriate;
- based on RFI feedback, ISSB may decide to add only one or two projects to its work plan;
- projects that are not included in the current RFI or that are not added to the ISSB’s work plan should not be seen as ‘off the table’ for future work plans; and
- primarily seeking feedback on the four new projects; however, commenters may suggest other projects.

Timeline and next steps



*The length of the comment period will be discussed by the ISSB at its April 2023 meeting. The ISSB's decision on the length of the comment period will influence the timeline.

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